REMARKS/ARGUMENTS

Prior to this amendment, claims 1-17 and 19-21 were pending. In this amendment, claims 1, 8, 15, 16, and 21 are amended, no claims are canceled, and no claims are added. No new matter is added. Thus, after entry of this amendment, claims 1-17 and 19-21 are pending.

I.   Objections to the Specification

The specification is objected to as providing insufficient support for the limitation *"would be calculated."* This rejection is traversed. Although applicants do not necessarily agree with this characterization, in the interests of advancing prosecution, the claims have been amended to remove the objected to language. Withdrawal of this objection is respectfully requested.

II.   Claim Rejections – 35 USC § 112, first paragraph

Claims 1, 8, 15, 16, and 21 are rejected under 35 U.S.C. 112, paragraph one, as failing to comply with the written description requirement. In particular, the term *"calculated"* is alleged to have insufficient support in the specification. This rejection is traversed. As explained above with respect to the objections to the specification, the claims have been amended to remove the language in question. Withdrawal of this rejection is respectfully requested.

III.   Claim Rejections – 35 USC § 112, second paragraph

Claims 1, 8, 15, 16, and 21 are rejected under 35 U.S.C. 112, paragraph two, as failing to particularly point out and distinctly claim the subject matter which applicant regards as his invention. In particular, the limitation *"displaying an accounting consolidation ledger balance as the accounting consolidation ledger balance would be calculated if the at least one accounting adjustment entry and the at least one consolidated accounting were posted to the accounting consolidation ledger,"* is alleged to be vague and indefinite. This rejection is traversed. Although the applicants do not necessarily agree with the allegation, in the interests of advancing prosecution, the claims have been amended to more clearly point out and distinctly

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claim the subject matter regarded as the invention. Withdrawal of this rejection is respectfully

requested.

IV.   Claim Rejections – 35 USC § 101, Non-Statutory Material

Claims 1, 8, 15, 16, and 21 are rejected under 35 U.S.C. §101. The Office Action is

unclear if the rejection is based on an alleged lack of utility or the claims allegedly being directed

to a non-statutory class. This rejection is traversed. The claims have been amended to remove

the alleged open ended conditional language. Withdrawal of this rejection is respectfully

requested.

V.   Claim Rejections – 35 USC § 103(a) Knudtzon, McClendon

Claims 1-4, 8-11, 15-17, and 21 are rejected under 35 U.S.C. 103(a) as being

unpatentable over *Knudtzon* (U.S. Patent No. 7,120,597) in view of *McClendon* (U.S.

Publication No. 2003/0046194). This rejection is traversed.

In order to better understand applicants' arguments and amendments, a brief summary of

the disclosure will be presented. Some embodiments of the present application may be directed

to a system of processing adjustment entries to a consolidation ledger, without having to process

the entire consolidation ledger. (Specification, P[0006]). In prior systems, in order to process the

adjustment entries, the entries are posted to the consolidation ledger, and the entire consolidation

ledger processed to obtain ledger balances. (Id). Some embodiments of the present disclosure

avoid the unnecessary processing of the entire consolidation ledger by only processing the

adjustment entries, without needing to post the adjustment entries to the consolidation ledger.

((Specification, P[0028]). This may be accomplished by determining the account codes of ledger

balances that may be affected by the adjustment entries. (Specification, P[0050]). A user may

then be shown a display that indicates ledger balances of the consolidation ledger, as well as

proforma ledger balances, which indicate what the ledger balances would be if the adjustments

had been posted to the consolidation ledger. (Id.). This display is created by matching the

account codes of the adjustment entries with the account codes of the ledger balances. (Id.). The

user may then be given the option to post the adjustment entries to the consolidation ledger. (Specification, P[0037]). Some embodiments of the present disclosure advantageously allow the user to efficiently try "what if" scenarios, by altering the data in the adjustment entries. Because posting the adjustments to the consolidation ledger is not required, the entire consolidation ledger does not need to be processed, thus saving the user time and computational resources. Furthermore, the ability to view the hypothetical balance before posting the adjustment entries alleviates the necessity of prior systems to require reversing entries be posted to the consolidation ledger.

 Knudtzon describes an overlay system which allows service providers to enter adjustment data which is combined with data that has already been entered into a general ledger. (Column 7, lines 19-35). The overlay systems combines overlay adjustment data with the overlay general ledger to obtain adjusted overlay general ledger data, which can be filtered, sorted and/or formatted by the overlay report system to obtain overlay reports. (Column 7, lines 56-61). The overlay system allows for the overlay adjustment data that was entered by the user to be stored in an overlay adjustment journal for later use. (Column 8, lines 58-61).

 Knudtzon does not disclose or suggest, "*a proforma accounting consolidation processor configured for processing the at least one accounting adjustment entry to create at least one consolidated accounting adjustment entry that is responsive to the at least one accounting adjustment entry, the proforma accounting consolidation processor processing the at least one accounting adjustment entry independent of the accounting consolidation ledger by determining account codes that are affected by the at least one accounting adjustment entry.*" The system in *Knudtzon* processes the adjustment entries with ledger data to obtain overlay reports. As such, the system in *Knudtzon* does not teach or suggest processing adjustment entries <u>independent</u> of a consolidation ledger. Such a limitation is also not disclosed or suggested by *McClendon*.

 Furthermore, *Knudtzon* does not disclose or suggest displaying both consolidated ledger balances and proforma consolidated ledger balances. The system in *Knudtzon* simply process the adjustment entries into a single output report. There is no mechanism present in *Knudtzon* for a

user to compare consolidated ledger balances and consolidated ledger balances with adjustments applied. Such a limitation is also not disclosed or suggested by *McClendon.*

As admitted by the Office Action, *Knudtzon* does not disclose "*posting the at least one accounting adjustment entry and the at least one consolidated accounting adjustment entry to the accounting consolidation ledger after review by a user.*" The Office Action alleges this limitation is disclosed by *McClendon. McClendon* describes reviewing accounting lines prior to posting the lines to a ledger, not processing of adjustment entries. A consolidated accounting adjustment entry is a calculated entry, calculated based on the adjustment entry. The system in *McClendon* is describing a user reviewing accounting lines, not calculated entries.

Furthermore, even if the Office Action's interpretation of *McClendon,* for the sake of argument, describes "*posting the at least one accounting adjustment entry and the at least one consolidated accounting adjustment entry to the accounting consolidation ledger after review by a user,*" a combination of *McClendon* with *Knudtzon* would result in *Knudtzon* becoming inoperative for its intended use. *Knudtzon* discloses a separate overlay system, wherein modifications to the overlay data are isolated from the main system. If adjustment entries from the overlay system are posted to the main system, it defeats the purpose of *Knudtzon.*

Withdrawal of the rejection of claim 1, and the claims which depend therefrom, is respectfully requested for the reasons presented above. Withdrawal of the rejection of the remaining claims is respectfully requested for reasons including at least those set forth above with respect to claim 1.

VI.   Claim Rejections – 35 USC § 103(a) Knudtzon, McClendon, AAPA

Claims 5-7,12-14, and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knudtzon (US 7,120,597) in view of McClendon (US 2003/0046194) as applied to claims 1-4,8-11,15-17, and 21 above, and further in view of Applicant Admitted Prior Art (AAPA). This rejection is traversed. Claims 5-7, 12-14, and 19-20 are allowable by virtue of their dependence from their respective corresponding independent claims, as discussed above.

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VII.   Amendment to the Claims

Unless otherwise specified or addressed in the remarks section, amendments to the claims are made for purposes of clarity, and are not intended to alter the scope of the claims or limit any equivalents thereof. Support for the claim amendments can be found throughout the specification, including such places as paragraph 6, 28, 27, and 50 and Fig. 10(b). No new matter is added.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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